

April 30, 2009 4:12 PM

Rep. Luján Cosponsors Legislation to Protect New Mexicans from Unfair Credit Card Practices

Washington, DC - Today, the Credit Cardholders' Bill of Rights passed the House of Representatives by a vote of 357 to 70. Rep. Ben Ray Luján co-sponsored the Credit Cardholders' Bill of Rights. The comprehensive credit card reform legislation will protect New Mexican families by leveling the playing field between credit card companies and consumers, and increasing protections against unfair and misleading credit card practices.

"During these difficult economic times, families from across New Mexico are struggling to make ends meet and those struggles are being made more difficult by misleading and unfair credit card practices," said Rep. Luján. "Today, the House passed the Credit Cardholders' Bill of Rights, which will take common sense steps to protect families from unfair credit practices. These responsible steps will safeguard families from retroactive charges, excessive fees, arbitrary rate increases and misleading terms."

Last year, families faced \$19 billion in penalty fees imposed by credit card companies. This year, credit card companies will break all records for late fees, over-limit charges, and other penalties-which could total more than \$20.5 billion.

The Credit Cardholders' Bill of Rights will help New Mexican families during these difficult economic times by:

- Protecting cardholders against arbitrary interest rate increases
- Preventing cardholders who pay on time from being unfairly penalized
- Protecting cardholders from due date gimmicks
- Shielding cardholders from misleading terms
- Empowering cardholders to set limits on their credit
- Requiring credit card companies to fairly credit and allocate payments
- Prohibiting credit card companies from imposing excessive fees on cardholders
- Preventing credit card companies from giving subprime credit cards to people who cannot afford them
- Requiring Congress to provide better oversight of the credit card industry
- Containing NO rate caps, fee setting, or price controls

The Credit Cardholders' Bill of Rights is supported by a diverse group of organizations including National Federation of Independent Business, Consumers Union, Consumer Federation of America, Center for Responsible Lending, National Consumer Law Center, Consumer Action, National Community Reinvestment Coalition, Leadership Conference on Civil Rights, National Council of La Raza, NAACP, Public Citizen, U.S. PIRG, AFL-CIO, SEIU, and National Small Business Association.

The Credit Cardholders' Bill of Rights was introduced by Rep. Carolyn Maloney (D-NY). Last year, the Credit Cardholders' Bill of Rights passed the House 312-112. According to Rep. Maloney's office, the Credit Cardholders' Bill of Rights would have banned many of the worst unfair, deceptive and anti-competitive practices of the credit card industry-including so-called "universal" default, double-cycle billing, and retroactive rate hikes. In December, the Federal Reserve released final regulations that would ban many of these practices, but the new rule does not take effect until July 2010. The Credit Cardholders' Bill of Rights as introduced in the current Congress would take effect 90 days after the President signs it.

[Go back](#)